

COMPANY REGISTRATION NUMBER: 03350417

VisionTrack Limited
(formerly MSG Automotive Solutions Limited)
Financial Statements
31 December 2020



VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Financial Statements

Year ended 31 December 2020

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VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Officers and Professional Advisers

The board of directors	G Humphreys K J Barber K R Spencer S C Marsh
Company secretary	C J Payne
Registered office	45 Westerham Road Bessels Green Sevenoaks Kent TN13 2QB
Auditor	RSM UK Audit LLP Chartered accountants Davidson House Forbury Square Reading RG13EU
Bankers	National Westminster Bank Plc 27 South Street Worthing West Sussex BN11 3AR

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Strategic Report

Year ended 31 December 2020

Fair review of the business and future developments

The principal activity of the Company during the year was the ongoing design, development, marketing and supply of in-vehicle camera systems and video telematics products and services. The revenue of the company decreased modestly in the year ended 31 December 2020 in comparison to the previous year due to the impact of the Covid 19 pandemic. Due to the lockdown a large number of customers chose to close operations and furlough staff which impacted our ability to install new hardware for a number of months in the first half of the year. In the second half of the year the Company continued to show revenue growth similar to pre pandemic levels as a consequence of:

- Increased recurring subscription revenue
- Increased demand for new and retro fit installations to home delivery vehicles for a number of large retailers
- Continued expansion of business with telematics partners and resellers
- Deployment of VisionTrack's second generation video telematics platform 'Autonomise'

The company continues to review and modify operating systems and processes to ensure a high-quality customer experience whilst reducing operating costs. The company continues to broaden its customer base across market sectors and geographies; in July 2021 VisionTrack Inc was registered in the USA and subsequently acquired a telematics reseller in order to drive rapid growth in the North American market. The Company is experiencing strong revenue and earnings growth in its domestic market in 2021 with some of the UK largest fleets adopting VisionTrack technology.

Research and Development

The company continued to invest in its software technology, launching and successfully migrating customers to its new award-winning software platform Autonomise. The company also worked closely with key suppliers on the development of new state of the art hardware products and solutions. In the year the Company appointed a Chief Technology Officer to drive the development of its product road map leading to cutting edge technology solutions for its existing and future customers.

Financial key performance indicators

	2020	2019
(£'000s)	£	£
Revenue	13,925	14,889
Gross profit %	37%	31%
EBITDA	(250)	(1,105)

Revenue decreased due to the reasons mentioned above.

Gross profit % increased due to improved hardware margins and increased subscription income.

EBITDA improved due to the improved Gross profit performance and reduction in overhead costs.

"Project Venus"

On 27 January 2021 the directors of the Markerstudy Group agreed to a £200m capital injection deal led by Pollen Street Capital ("PSC") which completed on 14 July 2021. The capital injection was split as follows: £91.8m from PSC via a combination of senior preference shares and A ordinary shares; £29.0m from QIC via a combination of mid preference shares and A ordinary shares and third party unitranche senior debt of £92.6m. The Board of Directors are confident that this deal will enable the Markerstudy Group to satisfy all its financial obligations to QIC.

Results and dividends

No dividends were declared or paid in the year ending 31 December 2020 (2019: nil).

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Strategic Report *(continued)*

Year ended 31 December 2020

Principal risks and uncertainties

In the normal course of business the company is exposed to a variety of risks. Measures are in place to ensure best practice and compliance and are under constant review by management.

The key operational risks to the business are carefully monitored as follows:

- Information technology – this is at the heart of the company's service offering and is centred around its cloud-based video telematics IoT platform. System functionality, security, reliability and redundancy are regularly assessed in order to meet our customers' needs and expectations.
- Supply chain – Hardware supply is critical to the business' performance; the business routinely reviews stock holdings and maintains close relationships with key suppliers to plan for any risk of disruption within the supply chain.
- Human Resources – The business is dependent on knowledgeable staff to oversee deployment and ongoing support of video telematics devices across a wide range of customers and sectors. The company invests in ensuring staff are retained and developed to support the rapid growth of the business and ever-changing technology.
- Duty of Care – The company recognises its legal, moral and ethical duty to ensure the health, safety and wellbeing of its workforce. As such, the regular monitoring and assessment of health and safety related risks is of paramount importance.
- Aged Debt – Regular aged debt meetings are in place to discuss and control customers that fall out of payment terms and ensure working capital cashflow is streamlined.

Political risk

The impact of the UK's exit from the EU has had a relatively low impact on the business as only a small % of sales are related to EU sales. The business has taken advantage of the postponed import VAT accounting procedure since the exit from the EU which prevents the upfront payment of VAT on import goods.

The impact of the UK's planned exit from the EU is unknown, however its potential impact has been assessed by the business. The most significant risk will be to the import and export of goods. The majority of imports are from non-EU countries, but the company is looking to increase trade with EU registered organisations.

In addition to the above the company is also exposed to a number of financial risks –

Credit risk

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Foreign exchange risk

The company is exposed to foreign currency risk on sales, purchases, assets and liabilities which are denominated in a currency other than sterling. Purchases in US Dollars is the primary activity and currency which gives rise to this risk. Wherever possible contracts contain a clause which allows the company to increase prices in the event of significant exchange rate fluctuation. The company chooses not to hedge its foreign exchange exposure.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Strategic Report *(continued)*

Year ended 31 December 2020

Interest rate risk

The company finances its operations through a mixture of retained profits and loans from shareholders. The majority of loans are from group companies and do not bear interest therefore minimising the risk of interest rate fluctuations.

S.172 Companies Act 2006: Statement of Director's Duties to Stakeholders

The board of directors believe that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and with regard to the other matters as detailed in S.172 (a) – (f).

Long-term consequences of decisions

Management prepare annual forecasts for the 5-year period ahead, which include modelling of the impact of key decisions made within the company and the wider group in order to assess their viability. The board aims to grow the group's business, creating sustainable profits by developing new opportunities for the business and our people.

Employee Engagement

The board is committed to its focus on employee's working environment and career development opportunities, which has helped the Group and company achieve its 'Investors in People' accreditation. A number of initiatives developed by the group including the 'Shooting Stars' programme for leaders of the future, and 'ALEX' the Group's apprenticeship syllabus, have all contributed to the group achieving the accreditation. The group have also developed core values, 'V10', which helps maintain the group's culture and keeps staff attitudes to work aligned. Due to the covid-19 pandemic, the majority of the group's staff base are now working from home. The board is committed to enhancing the channels of communication during this time, to ensure staff are listened to and are able to continue working effectively.

Key external stakeholder engagement – customers and suppliers

Across the Group, we have many long-standing and highly successful relationships with our customers and suppliers. The Group's ethos is to promote fairness and integrity in customer service and commit to 'putting the fun into what we do', for the benefit of our customers, employees and the community. Our customers are at the heart of everything we do, and the board is committed to treating customers fairly. The group is also committed to building strong positive relationships with a wide range of insurers, brokers, managing general agents and other distribution channels.

Impact on the community and the environment

The board considers the group's impact on the wider community and environment. The group's 'motiv8' initiative supports staff in their community and charity fundraising activities. The board also aims to encourage green initiatives to reduce our carbon footprint, as well as promoting safe driving for the next generation.

This report was approved by the board of directors on 14 December 2021 and signed on behalf of the board by:



K J Barber
Director

Registered office:
45 Westerham Road
Bessels Green
Sevenoaks
Kent
TN13 2QB

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Directors' Report

Year ended 31 December 2020

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

Change of name

On 24 September 2021, the company's name was changed from MSG Automotive Solutions Limited to VisionTrack Limited.

Directors

The directors who served the company during the year and up to the date of this report were as follows:

K J Barber
G Humphreys
S C Marsh
K R Spencer

Events after the end of the reporting period

On 27 January 2021 the directors of the Markerstudy Group agreed to a £200m capital injection deal led by Pollen Street Capital ("PSC") which completed on 14 July 2021. The capital injection was split as follows: £91.8m from PSC via a combination of senior preference shares and A ordinary shares £29.0m from Qatar Insurance Company ("QIC") via a combination of mid preference shares and A ordinary shares; and third party unitranche senior debt of £92.6m.

As part of this transaction, the Markerstudy Group has been restructured. The ultimate parent company, Markerstudy Holdings Limited ("MHL"), and one of its subsidiaries, Markerstudy International Limited ("MIL"), will be liquidated and all assets and liabilities will be transferred to and accepted by other group companies at their carrying value without adjustments. The remaining subsidiary entities will continue to operate under the new group structure, with Venus Topco Limited the new ultimate parent company.

As a result of the above, the new controlling party of the Markerstudy Group are PSC IV LP, PSC IV B LP and PSC IV (C) SCSp, funds managed by Pollen Street Capital Limited (a subsidiary of Pollen Street Capital Holdings Limited).

Subsequent to the year end the Company registered a wholly owned subsidiary, VisionTrack Inc, in the USA.

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of indication of likely future developments in the business, the nature of research and development undertaken, financial risk management and dividends paid by the company.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Directors' Report *(continued)* Year ended 31 December 2020

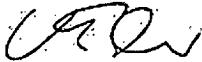
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditors in the absence of an Annual General Meeting

This report was approved by the board of directors on 14 December 2021 and signed on behalf of the board by:



K J Barber
Director

Registered office:
45 Westerham Road
Bessels Green
Sevenoaks
Kent
TN13 2QB

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Directors' Responsibilities Statement

Year ended 31 December 2020

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Independent Auditor's Report to the Members of VisionTrack Limited (formerly MSG Automotive Solutions Limited

Year ended 31 December 2020

Opinion

We have audited the financial statements of VisionTrack Limited (formerly MSG Automotive Solutions Limited) (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, statement of financial position, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

In Independent Auditor's Report to the Members of VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Year ended 31 December 2020

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Independent Auditor's Report to the Members of VisionTrack Limited (formerly MSG Automotive Solutions Limited

Year ended 31 December 2020

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Independent Auditor's Report to the Members of VisionTrack Limited (formerly MSG Automotive Solutions Limited

Year ended 31 December 2020

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in relation to bad debt, amortisation, capitalised development costs and inventory provision.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Perry Linton

Perry Linton FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Davidson House

Forbury Square

Reading

Berkshire

RG1 3EU

Date 15 December 2021

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Statement of Income and Retained Earnings

Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	13,924,556	14,888,997
Cost of sales		<u>(9,718,797)</u>	<u>(10,343,823)</u>
Gross profit		4,205,759	4,545,174
Administrative expenses		<u>(6,052,046)</u>	(6,599,961)
Other operating income	5	<u>516,811</u>	<u>328,156</u>
Operating loss	6	(1,329,476)	(1,726,631)
Interest payable and similar expenses	9	<u>(3,731)</u>	<u>(3,979)</u>
Loss before taxation		(1,333,207)	(1,730,610)
Tax on loss	10	<u>(345,153)</u>	<u>(161,445)</u>
Loss for the financial year and total comprehensive income		<u>(1,678,360)</u>	<u>(1,892,055)</u>

All the activities of the company are from continuing operations.

The notes on pages 15 to 27 form part of these financial statements.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	3,960,285	2,661,250
Tangible assets	12	132,574	191,390
		<u>4,092,859</u>	<u>2,852,640</u>
Current assets			
Stocks	13	2,461,921	2,499,763
Debtors	14	7,475,239	9,251,839
Cash at bank and in hand		23,782	60,762
		<u>9,960,942</u>	<u>11,812,364</u>
Creditors: amounts falling due within one year	15	<u>(16,225,782)</u>	<u>(15,508,124)</u>
Net current liabilities		<u>(6,264,840)</u>	<u>(3,695,760)</u>
Total assets less current liabilities		<u>(2,171,981)</u>	<u>(843,120)</u>
Creditors: amounts falling due after more than one year	16	(4,346)	–
Provisions			
Taxation including deferred tax	17	(529,908)	(184,755)
Net liabilities		<u>(2,706,235)</u>	<u>(1,027,875)</u>
Capital and reserves			
Called up share capital	20	8,843,050	8,843,050
Profit and loss account	21	(11,549,285)	(9,870,925)
Shareholders deficit		<u>(2,706,235)</u>	<u>(1,027,875)</u>

These financial statements were approved by the board of directors and authorised for issue on 14 December 2021, and are signed on behalf of the board by:



K J Barber
Director

Company registration number: 03350417

The notes on pages 15 to 27 form part of these financial statements.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Statement of Changes in Equity

Year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2019	8,843,050	(7,978,870)	864,180
Loss for the year		(1,892,055)	(1,892,055)
Total comprehensive income for the year		— (1,892,055)	(1,892,055)
At 31 December 2019	8,843,050	(9,870,925)	(1,027,875)
Loss for the year		(1,678,360)	(1,678,360)
Total comprehensive income for the year		— (1,678,360)	(1,678,360)
At 31 December 2020	<u>8,843,050</u>	<u>(11,549,285)</u>	<u>(2,706,235)</u>

The notes on pages 15 to 27 form part of these financial statements.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, incorporated and registered in England and Wales. The address of the registered office is 45 Westerham Road, Bessels Green, Sevenoaks, TN13 2QB, Kent.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity. All balances are rounded to the nearest £.

Going concern

The group of companies headed by Markerstudy Holdings Limited during the year (the 'Markerstudy Group') and VisionTrack Limited (formerly MSG Automotive Solutions Limited) (the 'Company') are expected to generate positive cash flows for a period of at least 12 months from the date of approval of these financial statements.

On 27 January 2021 the directors of the Markerstudy Group agreed to a £200m capital injection deal led by Pollen Street Capital ("PSC") which completed on 14 July 2021. The capital injection was split as follows: £91.8m from PSC via a combination of senior preference shares and A ordinary shares; £29.0m from Qatar Insurance Company ("QIC") via a combination of mid preference shares and A ordinary shares and third party unitranche senior debt of £92.6m. The Board of Directors are confident that this deal will enable the Markerstudy Group to satisfy all its financial obligations to QIC.

As part of this transaction, the Markerstudy Group has been restructured. The ultimate parent company, Markerstudy Holdings Limited ("MHL"), and one of its subsidiaries, Markerstudy International Limited ("MIL"), will be liquidated and all assets and liabilities will be transferred to any accepted by other group companies at their carrying value without adjustments. The remaining subsidiary entities will continue to operate under the new group structure with Venus Topco Limited the new ultimate parent company.

Venus Topco Limited has provided a letter of support confirming that its current intention is to continue to provide financial support to the Company such that it will continue to be able to meet its obligations as they fall due for a period of at least 18 months from the date of approval of these financial statements.

The directors have considered the effect of the ongoing worldwide pandemic of Covid-19, which is having an impact on the short term performance of the Company as detailed in the Strategic Report on pages 2 to 4. Should the economic impacts be longer lasting and result in widespread corporate failure across the economy then the risk to the business and the ability of the Group and Company to generate positive cash flows will be heightened.

However Markerstudy Group Management have taken, and continue to take, several steps to mitigate the impacts being caused by the Covid-19 pandemic. This includes utilising the Government employee retention scheme, VAT payment deferral option and time to pay option with HMRC, agreeing a freeze on some business rates for 12 months, as well as closely monitoring

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

cash flows. Markerstudy Group Management have also review its cost base and IT and system efficiencies to generate additional cost savings including headcount savings through a redundancy programme which completed on 31 July 2020. Management also took the step of making pay reductions from April 2020, but strengthening results alongside other cost saving initiatives during the pandemic has seen full pay reinstated at the start of September 2020 (which was earlier than management had originally anticipated).

Given the unpredictable nature and impact of the outbreak, and how rapidly the responses by the Government to the outbreak are changing, the directors are unable to predict the full extent of the impact with regards to the going concern basis of accounting and its related disclosures. However, due to the completion of the capital injection deal led by PSC in 2021 and the strengthening results of the Group and its subsidiaries since the easing of lockdown restrictions in 2021, the Directors are confident that the Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the group financial statements of Markerstudy Holdings Limited. For details on how to obtain their financial statements, please refer to note 21. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable in the ordinary nature of the business. Turnover is net of Value Added Tax.

Turnover comprises sale of cameras and user licenses to the IT data platform. Sale of cameras revenue is recognised on the date of despatch of the goods as this is when the risks and rewards of ownership have transferred to the customer. Licence income for the use of the IT data platform is spread over the length of the user licence. Installation fee income is recognised at the point of delivery of the service.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Income from government grants is presented within other operating income.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax the company is expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting end date.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of income and retained earnings. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Intangible assets purchased are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Research expenditure is written off as the costs are incurred. Development costs are treated in the same way unless the directors are satisfied as to the technical, commercial and financial viability of the project and costs attributable to the project can be reliably measured.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Development costs - 5 years straight line

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Amortisation *(continued)*

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and equipment - 3 - 4 years straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are stated at the lower of cost and estimated selling price. All items in stock are bought from third parties as finished goods.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Development costs

Whether development costs for intangible assets met the recognition criteria to enable to the company to capitalise these costs as an intangible asset. A decision has also been made on the

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

split of costs incurred in developing the intangible asset as to what can be capitalised and what is expensed.

An estimate has been made in terms of assessing the likely useful economic life of capitalised development costs. Factors taken into consideration in reaching such a decision include estimating the future economic performance that the asset will generate based on forecasts and sales projections.

R&D tax credit

A judgement is made on the costs to be included within the claim for R&D tax credits, whether expenditure is qualifying and the likelihood of the credit being received. This judgement is made on the basis of previous claims which have been accepted.

Inventory

A judgement is made as to whether any provision is required against inventory held by the company on the basis of obsolescence. Currently no provision is included on the basis that all inventory is considered.

Other key sources of estimation uncertainty

Recoverability of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the age of the debt, the state of negotiations, and historical experience of the outcome of recoveries.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

4. Turnover

Turnover arises from:

	2020	2019
	£	£
Sale of cameras	11,142,643	13,845,271
Sale of data	2,781,913	1,043,726
	<u>13,924,556</u>	<u>14,888,997</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2020	2019
	£	£
Research & Development income	214,355	327,334
Government Grants	279,901	-
Other income	<u>22,555</u>	<u>822</u>
	<u>516,811</u>	<u>328,156</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2020	2019
	£	£
Amortisation of intangible assets	977,469	570,910
Depreciation of tangible assets	75,803	50,428
Cost of stocks recognised as an expense	5,466,321	7,569,224
Impairment of trade debtors	34,537	31,206
Foreign exchange differences	-	1,291
	<u>-</u>	<u>1,291</u>

7. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>48,000</u>	<u>35,000</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	<u>5,750</u>	<u>2,500</u>

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

8. Staff costs

The average number of persons employed by the company during the year amounted to 78 (2019: 60).

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	3,354,416	3,156,054
Social security costs	229,473	346,107
Other pension costs	65,810	58,816
	<u>3,649,699</u>	<u>3,560,977</u>

The company's directors are remunerated by other group companies and it is not possible to separately identify the proportions that relate to the company.

Included within staff costs shown above is £16,660 which relates to the apprenticeship levy (2019: £12,055)

Included in the amounts disclosed above is an amount of £641,654 (2019 £807,750) of staff costs recharged from fellow Markerstudy Holdings group companies.

9. Interest payable and similar expenses

	2020	2019
	£	£
Interest on banks loans and overdrafts	138	-
Interest due to group undertakings	3,593	3,979
	<u>3,731</u>	<u>3,979</u>

10. Tax on loss

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax income	-	(26,949)
Deferred tax:		
Origination and reversal of timing differences	345,153	188,394
Tax on loss	<u>345,153</u>	<u>161,445</u>

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

10. Tax on loss *(continued)*

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is the same as (2020: higher than) the standard rate of corporation tax in the UK of -% (2020: 19%).

	2020 £	2019 £
Loss on ordinary activities before taxation	<u>(1,333,207)</u>	<u>(1,730,610)</u>
Loss on ordinary activities by rate of tax	(253,309)	(328,816)
Adjustment to tax charge in respect of prior periods	159,682	220,244
Effect of expenses not deductible for tax purposes	1,907	4,274
Rounding on tax charge	(1)	(1)
Adjustments to tax in respect of previous periods	–	(26,949)
R&D expenditure credits	(3,912)	–
Remeasurement of deferred tax for changes in tax rates	40,521	–
Group relief surrendered	400,001	288,233
Adjust deferred tax rates	–	3,747
Fixed asset differences	264	713
Tax on loss	<u>345,153</u>	<u>161,445</u>

11. Intangible assets

	Development costs £
Cost	
At 1 January 2020	3,682,201
Additions	<u>2,276,504</u>
At 31 December 2020	<u>5,958,705</u>
Amortisation	
At 1 January 2020	1,020,951
Charge for the year	<u>977,469</u>
At 31 December 2020	<u>1,998,420</u>
Carrying amount	
At 31 December 2020	<u>3,960,285</u>
At 31 December 2019	<u>2,661,250</u>

The amortisation of development costs is recognised within administrative expenses in the statement of income and retained earnings.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

12. Tangible assets

	Plant and equipment £	Total £
Cost		
At 1 January 2020	253,369	253,369
Additions	<u>16,987</u>	<u>16,987</u>
At 31 December 2020	<u>270,356</u>	<u>270,356</u>
Depreciation		
At 1 January 2020	61,979	61,979
Charge for the year	<u>75,803</u>	<u>75,803</u>
At 31 December 2020	<u>137,782</u>	<u>137,782</u>
Carrying amount		
At 31 December 2020	<u>132,574</u>	<u>132,574</u>
At 31 December 2019	<u>191,390</u>	<u>191,390</u>

13. Stocks

	2020 £	2019 £
Finished goods	<u>2,461,921</u>	<u>2,499,763</u>

The value of stock shown above is stated net of provision for obsolete inventory of £317,761 (2019: £nil).

14. Debtors

	2020 £	2019 £
Trade debtors	4,403,519	7,810,319
Amounts owed by group undertakings	201,193	52,494
Prepayments and accrued income	2,514,092	981,648
Corporation tax repayable	26,949	26,949
Other debtors	329,486	380,429
	<u>7,475,239</u>	<u>9,251,839</u>

15. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,499,737	762,029
Amounts owed to group undertakings	12,264,650	11,913,154
Accruals and deferred income	1,626,039	2,199,459
Social security and other taxes	817,706	626,392
Other creditors	17,650	7,090
	<u>16,225,782</u>	<u>15,508,124</u>

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

15. Creditors: amounts falling due within one year *(continued)*

Included within amounts due to group is loan interest payable of £534,857 (2019: £531,264) which relates to loan amounts due to fellow group companies. An interest rate of Bank of England base rate plus 4.5% per annum was being charged on these loans. As of 19 March, the interest rate on these loans was reduced to an interest rate of Bank of England base rate plus 4.5% per annum.

16. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	<u>4,346</u>	<u>-</u>

17. Provisions

	Deferred tax (note 18)
	£
At 1 January 2020	184,755
Additions	<u>345,153</u>
At 31 December 2020	<u>529,908</u>

18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions (note 17)	<u>529,908</u>	<u>184,755</u>

The deferred tax liability relates to accelerated capital allowances. The deferred tax liability is expected to reverse during 2021.

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £59,840 (2019: £58,816).

20. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>8,843,050</u>	<u>8,843,050</u>	<u>8,843,050</u>	<u>8,843,050</u>

The company's ordinary shares, which do not carry the right to fixed income, each carry the right to one vote at general meetings of the company.

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

21. Reserves

Profit and loss account - Cumulative profit and loss net of distributions to owners.

22. Related party transactions

Transactions between the Company and its related parties are disclosed below:

Other related parties:

	2020	2019
	£	£
Rent and service charges	119,701	202,901
Accommodation charges	3,715	9,726
Platform and IT charges	868,675	731,119
Repairs and maintenance	-	431

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties:

	2020	2019
	£	£
Other related parties	582,618	253,941

Other related parties comprise companies related by virtue of common control.

As a wholly owned subsidiary of Markerstudy Holdings Limited (MHL), the company has taken advantage of the exemption not to disclose transactions with other 100% owned members of the group headed by MHL under Financial Reporting Standard 102.

23. Controlling party

During the year the immediate parent undertaking was Markerstudy (International) Holdings Limited, a company registered in Gibraltar. The ultimate parent company was Markerstudy Holding Limited, a company registered in Gibraltar. Copies of the ultimate parent company's consolidated financial statements may be obtained from 846-848 Europort, Gibraltar. The group was controlled by K R Spencer during the year.

Subsequent to the year end, the Markerstudy Group has been restructured. Details of this can be found in note 24 on page 27. The new immediate parent undertaking is Markerstudy Group Limited (formerly Venus Bidco Limited), a company registered in the United Kingdom. The new ultimate holding company is Venus Topco Limited, a company registered in Jersey.

The new ultimate parent undertaking is PSC Nominee 4 Limited, as nominee for PSC IV LP, PSC IV B LP and PSC IV (C) SCSp. The Company's ultimate controlling party are PSC IV LP, PSC IV B LP and PSC IV (C) SCSp, funds managed by Pollen Street Capital Limited (a subsidiary of Pollen Street Capital Holdings Limited).

VisionTrack Limited (formerly MSG Automotive Solutions Limited)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

24. Post balance sheet events

On 27 January 2021 the directors of the Markerstudy Group agreed to a £200m capital injection deal led by Pollen Street Capital ("PSC") which completed on 14 July 2021. The capital injection was split as follows: £91.8m from PSC via a combination of senior preference shares and A ordinary shares £29.0m from Qatar Insurance Company ("QIC") via a combination of mid preference shares and A ordinary shares; and third party unitranche senior debt of £92.6m.

As part of this transaction, the Markerstudy Group has been restructured. The ultimate parent company, Markerstudy Holdings Limited ("MHL"), and one of its subsidiaries, Markerstudy International Limited ("MIL"), will be liquidated and all assets and liabilities will be transferred to and accepted by other group companies at their carrying value without adjustments. The remaining subsidiary entities will continue to operate under the new group structure, with Venus Topco Limited the new ultimate parent company.

As a result of the above, the new controlling party of the Markerstudy Group are PSC IV LP, PSC IV B LP and PSC IV (C) SCSp, funds managed by Pollen Street Capital Limited (a subsidiary of Pollen Street Capital Holdings Limited).

Subsequent to the year end the Company registered a wholly owned subsidiary, VisionTrack Inc, in the USA.